GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Permission to Andhra Pradesh Industrial Infrastructure Corporation Limited(APIIC) for allotment of land of Plot No.55, Block-C, IP, Naidupet at Rs.750.00 psmt., to M/s. Brakes India Private Limited for establishment of Engineering Green sand foundry (ductile iron and grey casting) unit - Accorded – Orders - Issued.

==========

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 96 Dated: 04-07-2016

Read:

From the VC&MD, APIIC, Letter No.10559/AMW/IP-NDP/2016, dt.10.06.2016.

>><<

ORDER:

In the reference read above, the VC&MD, APIIC has informed that M/s. Brakes India Private Ltd., which is a TVS group, vide their letter dt.11.8.2015 have requested APIIC Ltd., for allotment of Plot No.52, IP, Naidupet for establishment of Engineering Green sand foundry (ductile iron and grey casting) unit. But it could not be allotted as there is a legal dispute. Subsequently, after persuasion by APIIC, the Company has proposed on 19.01.2016 for allotment of Plot No. 55 in Block-C, IP, Naidupet with Ac.40.00 instead of Plot No.52. The land cost at IP, Naidupet is Rs.1,171-00 psmt. ie., as on the date i.e., on 19.1.2016. But the company is requesting for allotment of land @ Rs.750-00 psmt i.e the cost of the land prevailing at the time of submitting proposals for allotment of Plot No.52 i.e. on 11.08.2015.

2. Further, the VC&MD, APIIC has stated that later on the Company filed online application on 22.1.2016 for allotment of Plot No.55, Block-C, IP, Naidupet and the same was placed before the State Level Allotment Committee (SLAC) Meeting held on 8.2.2016. The SLAC approved for allotment of Plot No.55, IP Naidupet to M/s. Brakes India Pvt., Ltd @ Rs.1,171-00 (at the cost as on date of filing online application).

3. The VC&MD, APIIC has stated that as per APIIC Allotment Regulations 2015, vide Clause 4.9.3, reads that "All allotments are made, at the rate applicable, as on the date of filing the valid application."

4. Further, the VC&MD, APIIC has stated that the reason for increase of land cost from Rs.750/- to Rs.1,171/- mainly due to external infrastructure like water supply and road connectivity. Earlier the amount of infrastructure was treated as grant, later it was converted as a loan from ADB as the industrial park is covered under Vizag Chennai Industrial Corridor (VCIC). Since, the additional infrastructure is added with loan component, the same has to be recovered from the allottees by including in the land cost. Hence the land cost is revised. The request of the Company for reduction of land cost was placed before APIIC Board Meeting held on 26.4.2016, mentioning that the Company has proposed investment of Rs.216 Crores with an employment provision to 250 nos. The APIIC Board after deliberations, advised to obtain the details of quantum of investment to be made in future in the proposed land by M/s. Brakes India Pvt., Limited and also directed to place the same in the next Board Meeting. In response to that, the Company vide its letter dt 17.5.2016 informed, that the proposed future investment would be Rs.165 Crores in addition to Rs.216 Crores

5. The VC&MD, APIIC has stated that keeping in view of the total investment and tract record of the company, the request of the company for reduction of land cost from Rs.1171/- to Rs.750.00 psmt., has to be reviewed and requested the Government to issue necessary instructions on the request of the Company.

(P.T.O)

6. Government after careful examination of the proposal of the VC&MD, APIIC, hereby accord permission to Andhra Pradesh Industrial Infrastructure Corporation Limited(APIIC) for allotment of Plot No.55, IP, Naidupet to M/s. Brakes India Private Limited for establishment of Engineering Green sand foundry (ductile iron and grey casting) unit with proposed investment of Rs.216 Crores at present and Rs.165 Crores in future and providing employment provision to 250 persons, duly reducing the land cost from 1,171/- to Rs.750 per Sqmt., since prevailing cost of the land at the time of submitting first proposal for allotment of Plot No.52 i.e. on 11.08.2015 is Rs.750/-.

7. The VC&MD, Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) shall take necessary action accordingly.

8. This order issues with the concurrence of the Finance Department vide approval on this Department e-file No.6698/Infra/A1/2016, dt.13.06.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARTY TO GOVERNMENT & CIP

To
The VC&MD, APIIC Limited, Vijayawada.
Copy to
The G.A. (Cabinet) Dept., (w.r.t. to U.O.No.583/2016, dt.27.06.2016)
The P.S to Prl.Secy. to CM (GSP)
The P.S to Secy. to Govt. & CIP
Sc/Sf

//FORWARDED : : BY ORDER//

SECTION OFFICER